

The Saudi Telecommunications Corporation Law

Issued by

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Article 1

The following terms wherever they appear, in this law, shall, unless the context otherwise requires, carry the meaning shown in front of each as follows, respectively:

The Law: The Saudi Telecommunications Law.

The legislation: The legislation of the Saudi Telecommunications Corporation.

The Ministry: The Ministry of Telegraph, Post and Telephone.

The Minister: The Minister of Telegraph, Post and Telephone.

The Corporation: The Saudi Telecommunications Corporation.

The Board: The Board of Directors of the Saudi Telecommunications Corporation.

The Governor: The Governor of the Saudi Telecommunications Corporation.

The Member: The Member of the Board of Directors of the Saudi Telecommunications Corporation.

Article 2

By virtue of this legislation, a corporation enjoying corporate personality and financial and administrative independence to achieve its objectives called "The Saudi Telecommunications Corporation", shall be established, with its seat in Riyadh, and it shall have the right to establish branches or offices in the Kingdom and is directly linked to the Minister.

Article 3

The Corporation shall undertake the organizing of the telecommunications sector with the objective of providing advanced and reliable telecommunications services all over the Kingdom, by the companies licensed, according to the law, and to achieve such , it shall be entitled to the following:-

a) Issue the necessary licenses pursuant to whatsoever stated in the law, its Executive Regulation and this legislation.

b) Verify application of the terms and conditions set forth in the granted licenses and propose the terms and conditions pertaining to the comprehensive service and the right of comprehensive usage.

- c) Implement the policies, plans and programs sanctioned for the development of the telecommunications sector and draw up the appropriate procedures for such development.
- d) Endeavor to achieve organized expansion of telecommunications and telecommunications services infrastructures and provide such services effectively and reliably to the users of such facilities.
- e) Encourage reliance on market potentials to provide telecommunications services.
- f) Prepare the Executive Regulation of the law with emphasis on its clarity, fairness, effectiveness and proficiency.
- g) Encourage investment in telecommunications services and equipment, and encourage the provision of reliable quality telecommunications services in return for suitable prices all over the Kingdom.
- h) Draw up the national frequency spectrum plan after due coordination with concerned bodies, and refer such to the Ministry as a prelude to forwarding it to the Council of Ministers.
- i) Propose the pecuniary consideration for the usage of frequencies allocated for various usages and refer it to the Ministry pending pertinent agreement of the Minister and the Minister of Finance and National Economy as a prelude to forwarding it to the Council of Ministers.
- j) Endeavour to protect the users, interests pertaining to the public telecommunications services and the Internet, monitor the performance of such services licensed providers, take the actions that make them committed to abide by the licenses terms and conditions including the quality and standard of these services and endeavor to develop new and innovative services.
- k) Propose the laws pertaining to telecommunications sector and their amendments, and consider the matters related to the sector submitted by concerned bodies, particularly licensed operators or users, including disputes over the entitlement to access to the telecommunications Network and connection to it, and make the necessary pertinent decisions to settle these matters within the scope of its jurisdictions.
- l) Ascertain that licensed users and operators are performing their duties without compromising the public interest.
- m) Encourage conducting research and developments in the telecommunications sector, besides encouraging updating of telecommunications Networks and services.
- n) Draw up the basis for specifying the pecuniary consideration for the telecommunications services at competitive rates.
- o) Approve the general work terms for licensed operators.
- p) Distribute the band of the frequencies allotted for civilian and commercial uses ascertain and that they are effectively used.

- q) Draw up the national numbering plan, and management and supervision of such.
- r) Support the efforts to develop work techniques and create performance standards for the different services in the telecommunications sector and monitor adherence to such standards.
- s) Coordinate with the Ministry regarding the Kingdom's representation in local, regional and international telecommunications bodies related to its competency.
- t) Any other missions assigned to it according to the laws and regulations.

Article 4

1. The Corporation shall have a board of directors chaired by the Minister, and membership of each of the following:-

- a) The Governor of the Corporation as a deputy chairman of the board.
- b) A representative of the Ministry of Telegraph, Post and Telephone.
- c) A representative of the Ministry of Finance and National Economy.
- d) A representative of the Ministry of Commerce.
- e) A representative of King Abdul Aziz City for Sciences and Technology.
- f) Three representatives of the private sector nominated by the Minister and appointed by a decision from the Council of Ministers.

2) The remunerations for attending the board sessions shall be specified by a decision from the Council of Ministers.

Article 5

The Board of Directors shall be the supreme authority for the corporation, it shall supervise its management, the disposition of its affairs and shall draw up its general policy upon which, it conducts its functions, the board shall enjoy the widest jurisdictions, particularly the following competences:

- a) Approve the Corporation internal, financial, administrative and technical regulations.
- b) Specify the pecuniary considerations the corporation collects in return for any works or services it provides to operators and such like pursuant to the law.
- c) Sanction granting the licenses within the corporation jurisdictions.
- d) Approve the national numbering plan and supervise its implementation.
- e) Endorse the corporation work plan and its operational plans within the framework of the

state general plan.

f) Approve the purchase and selling of real estates in a manner that achieves the corporations objectives.

g) Endorse the corporation draft budget, its final account, the accounts auditor's report and the annual report in preparation to forward such according to the law.

h) Conclude various kinds of agreements and contracts within its jurisdictions and authorize the Corporation officials to conclude such agreements and contracts.

I) Form committees and delegate powers necessary to achieve the missions assigned to them.

j) Sanction the salaries table of the corporation personnel subject to the Labor and Laborers Law.

k) Supervise the corporation technical, administrative and financial functions.

Article 6

1. The Board of Directors shall convene its sessions at the corporation seat, and they may, if necessary, be convened in another place within the Kingdom.

2. The Board convenes upon an invitation from its chairman once every three months at least or whenever necessary, or if five members at least request such provided that the request includes its agenda, the meeting validity shall depend on the attendance of the majority of members including the Board chairman's or his deputy, and the decisions shall be made by the majority of attendees votes, and in cases of even votes, the side including the Chairman vote shall outweigh.

3. The Board deliberations and decisions shall be recorded in the meeting minutes signed by its Chairman and attending members, and the decisions affecting the operators, service providers, telecommunications devices manufacturers, distributors or users, shall be published in the official gazette and in at least two daily newspapers, provided that this publishing does not compromise the public interest or the secrets of work, and the Governor shall directly report these decisions to the concerned bodies and in the appropriate manner.

4. The member may not delegate any other person to vote for him in his absence, the objecting members may register their objections and reasons in the board decisions minutes.

5. The Board member shall not disclose whatever secrets of the Corporation that comes to his knowledge due to his membership in the board.

6. The board may invite to attend its sessions any persons its deems fit to benefit from his knowledge and expertise without having the right to vote.

Article 7

The Cooperation may ,when conducting entrusted responsibilities and duties, seek the assistance of some specialized corporations or scientific or technical institutes or qualified

consultants to help in executing some functions and missions, it shall also have the right to cooperate and coordinate with corporations , ministries or governmental circles as it deems fit to perform its tasks in the required method.

Article 8

The Corporation shall have a governor of superior position who shall be appointed by a royal decree upon a nomination by the Minister and shall be the executive chief of the Corporation; his responsibilities shall mainly focus within the stipulation of the law and what is decided by the board. The governor shall particularly exercise the following powers and responsibilities:-

- a. Supervising the preparations for the board session.
- b. Follow-up the execution of the board decisions.
- c. Supervising preparation of draft budget, the draft final account, balance and the annual report and present them to the board.
- d. Supervise employees of the Corporation according to the powers granted to him and whatsoever specified by the regulations.
- e. Issue the Corporation expenditure orders pursuant to the sanctioned annual budget.
- f. Submit periodical reports to the board on the corporation functions, achievements and activities.
- g. Propose plans and programs of the Corporation and supervise their execution after the approval of the Board.
- h. Represent the Corporation in its relations with other Bodies and before the judiciary organs, he may delegate others to conduct such.
- i. Delegate some of such powers and responsibilities to the officials at the Corporation.

Article 9

The Corporation Governor shall have deputies appointed by a decision from the Board of Directors upon a nomination by the governor; the deputies shall assume the functions and powers granted to them by the Governor within the limits of the rulings of the legislation.

Article 10

The financial resources of the Corporation shall be comprised of the following sources:-

- a. What is allotted to it from the pecuniary considerations the government collects from the Licenses issued to operators.
- b. Pecuniary consideration the Corporation collects in return for the functions and services it offers according to legislation.

c. Total of the imposed fines stipulated in the Law.

Article 11

The funds of the Corporation shall be deposited in an account opened in the Saudi Arab Monetary Authority and expenditure from such shall be made according to the approved budget of the corporation. The surplus funds of the corporation at the end of the fiscal year shall, save what it needs for its future projects approved within its annual budget and its legal obligations, be refunded to the state public treasury in the current account of the Ministry of Finance and National Economy.

Article 12

The Corporation shall collect the pecuniary consideration in return of rendering commercial services for the use of frequencies and for the issuance of licenses and their renewals refund such to the state public treasury in the current account of the Ministry of Finance and National Economy.

Article 13

The Corporation shall be treated regarding exemptions of its imports from customs duties according to the observed rules for the imports of public corporations.

Article 14

The fiscal year of the corporation shall be the same as the fiscal year of the state; however, its first fiscal year may exceptionally begin as from the date on which this legislation becomes effective.

Article 15

With the exception of the governor, the provisions of the labor and laborers law and the social insurance law shall apply to the corporation affiliates.

Article 16

The governor shall forward to the Minister, within ninety days from the beginning of the fiscal year, the annual report after being approved by the board. It shall contain the Corporation achievements compared to what have been projected in the general plan for development during the previous year, obstacles encountered and whatever it deems of proposals for the good conduct of the corporation function as a prelude to forwarding such to the Council of Ministers.

Article 17

Without prejudice to the right of the General Auditing Bureau to audit accounts of the Corporation, the board shall appoint an external accounts auditor or more from individuals of natural or artificial personalities licensed to operate in the Kingdom and determine their charges. If there are various accounts auditors, they shall be jointly responsible of their

works before the Corporation, the report of the accounts auditor shall be forwarded to the Council and a copy shall be provided to the General Auditing Bureau.

Article 18

This legislation shall repeal whatsoever provisions in conflict with it.

Article 19

This legislation shall be published in the official gazette and shall become effective as of its publishing date.

(1) 28 May 2001.

(2) 31 May 2001.